



HERA and Various Topics Technical Update GA-2006-02

April 24, 2006

This information is intended for the person in your organization who is responsible for working with NSLDS. If that person is not you, please forward this update to the appropriate person.

The purpose of this Technical Update is to inform Guaranty Agencies (GAs) of National Student Loan Data System (NSLDS) reporting requirements for compliance with the Higher Education Reconciliation Act of 2005 (HERA). Additionally, NSLDS has included GA Data Provider Instruction (DPI) updates for the Code for Loan Status field and the “AL” loan status code.

HERA Updates

Federal PLUS Loans for Graduate or Professional Students

NSLDS has designated “GB” as the new code for Type of Loan (Field Code 024), in accordance with the new eligibility requirements under PLUS for graduate student borrowers. NSLDS will begin accepting the new loan type on July 1, 2006, for all eligible loans certified by the school on or after July 1, 2006.

NSLDS is aware that many data providers will not be ready to report this new loan type by July 1, 2006. However, while GAs are enhancing their systems to report “GB”, NSLDS will accept the “PL” loan type with matching student and PLUS borrower identifiers (name, Social Security number, and date of birth) and a reported academic level of A or above. Loans reported in this manner will be stored and displayed on NSLDS as a “GB” loan type.

The current NSLDS Data Provider software will support the new loan type. However, changes to the threshold error file (TEF) are necessary. NSLDS will provide an updated TEF on the next scheduled release.

Active-Duty Military Deferment Code

NSLDS has designated “MO” for Type of Deferment (Field Code 346) on loans meeting the eligibility requirements for Active-Duty Military Deferment as provided for under HERA. NSLDS will be prepared to accept the “MO” Code on July 1, 2006, for all eligible loans disbursed on or after July 1, 2001.

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HERA Updates to the DPI

NSLDS is currently working on DPI updates to reflect the reporting requirements for the new loan type, “GB”, and the new deferment code “MO”. The DPI updates will also include a change in the definition of loan rehabilitation from the current 12 months of consecutive payments to the new HERA requirement of 9 consecutive payments made in 10 months.

Various Topics**Code for Loan Status**

It was brought to our attention that Error code 723 was inadvertently left out of the current version of the DPI (ver. 4.1, June 2005). This is an error associated with Field Code 063, Code for Loan Status. Attached is a corrected page, which includes Error Code 723. Please insert this page into your current version of the DPI.

Edit Change for “AL” Loan Status Code

On April 24, 2006, NSLDS will implement an edit change to the abandon loan status “AL”. NSLDS has relaxed the edit to allow the GA choosing to use the abandon loan status on loans that have not entered repayment to do so without causing an error. The loan status will require the Date of Loan Status to be on or after the Date of Guaranty. Previously, the “AL” loan status had to have a Date of Loan Status on or after the Date Entered Repayment.

Attached are updated DPI pages to reflect this change. Please insert these pages into your existing GA DPI.

Attachment: Appendix A: Data Dictionary updates

If you have any questions, please contact the NSLDS Customer Service Center at (800) 999-8219 or e-mail NSLDS@pearson.com.